

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 1 Supreme Court of Virginia 8% salary Increase for Judges (Item 30.10)

**General Assembly Action:** Provided \$1.8 million GF in the second year for an additional 4.0 percent salary increase for judges, including Commissioners of the State Corporation Commission, effective November 25, 2007. When combined with the general salary increase authorized in the Central Appropriations, the total increase for judges in FY 2008 is 8.0 percent.

**Governor's Action:** Proposes to add Commissioners of the Workers' Compensation Commission to the additional 4.0 percent salary increase for judges.

### Notes:

- The Governor's amendment is **technical in nature**, since Commissioners of the Workers' Compensation Commission are usually afforded the same compensation increases as judges and Commissioners of the State Corporation Commission.
- A companion amendment to Item 478 (Amendment #14) changes the salaries set out for Commissioners of the Workers' Compensation Commission to reflect the additional 4.0 percent salary increase for judges.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 2 Compensation Board Sheriffs Serving Multiple Localities (Item 59)

**General Assembly Action:** Provided \$9,000 GF in the second year to compensate sheriffs serving multiple localities with an additional \$1,000 annually.

**Governor's Action:** Proposes language **authorizing** the Compensation Board to compensate sheriffs serving multiple localities with an additional \$1,000 annually, consistent with the funding provided by the General Assembly.

### Notes:

- The Governor's amendment is **technical in nature**.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 3 Compensation Board Funding of Deputy Sheriffs Retirement (Item 59)

**General Assembly Action:** Included a provision under the Compensation Board that requires the Governor to include funding in his budget proposals for the 2008 session for any additional cost incurred by the Compensation Board as a result of localities electing to provide enhanced retirement benefits to their deputy sheriffs and jail officers, as provided for in Senate Bill 1166, prior to the mandatory implementation date of July 1, 2008.

**Governor's Action:** Proposes that the funding of additional Compensation Board costs related to early implementation of the enhanced retirement benefits for deputy sheriffs and jail officers, as provided for in Senate Bill 1166, would be **permissive** rather than mandatory.

### Notes:

- The Governor's amendment is **technical in nature** and changes the word "shall" to "may".

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 4 Department of Human Resource Management Reporting Date Change (Item 77)

**General Assembly Action:** Adopted a Governor's amendment that requires the Department of Human Resource Management to provide the renewal cost of the state employee health insurance program premiums (that will go into effect on July 1, 2008) to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2007.

**Governor's Action:** Proposes to change the reporting date on the FY 2009 renewal cost of the state employee health insurance premiums from October 1, 2007 to October 15, 2007.

### Notes:

- The additional 14 days will give the Department of Human Resource Management's actuaries the time needed to produce accurate estimates of the final FY 2009 health insurance premiums.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 5 Department of Medical Assistance Services Distribution of Pediatric Rate Increase (Item 302)

**General Assembly Action:** Provided a 10 percent rate increase for pediatric services provided under Medicaid and FAMIS effective July 1, 2007.

**Governor's Action:** Proposes **technical budget language** to ensure that certain preventive pediatric services actually increase by ten percent.

### Notes:

- Due to complex interactions with annual updates to Medicare rates that are made concurrent with the increase provided by the General Assembly, some rates paid for pediatric services would actually fall below 10 percent without the language proposed by the Governor.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 6 Department of Medical Assistance Services Emergency Regulatory Authority for "Money Follows the Person" Grant (Item 302)

**General Assembly Action:** Included budget language authorizing the Department of Medical Assistance Services to proceed with plans to seek federal approval for changes to home- and community-based waivers to allow individuals to transition from institutions to the community.

**Governor's Action:** Proposes **technical budget language** allowing the Department of Medical Assistance Services to use emergency regulatory authority to implement the changes in a timely manner, should a federal grant be awarded. The language was inadvertently omitted in the budget conference report.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 7 Department of Social Services Extend Timeframe for Child Care Programs to Meet Training Requirements (Item 341)

**General Assembly Action:** Included budget language requiring the Commissioner of Social Services to complete medication administration training required under current regulations by June 1, 2007 or allow providers to apply for a "good cause" extension if day care centers have not received such training.

**Governor's Action:** Proposes to replace budget language approved by the General Assembly with language that extends the deadline for regulated day care programs to meet medication administration training requirements to January 1, 2008 and clarifies which providers are subject to the current regulations.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 8 Department of Motor Vehicles Administration of the Abusive Driver Program (Item 435)

**General Assembly Action:** Amended language in the current Appropriation Act to extend the DMV Commissioner's authority to impose an administrative cost of up to 13 percent of the revenues collected under the abusive driver program. The language also permits the Commissioner to use outside vendors to administer the program.

**Governor's Action:** Proposes **technical supplemental language** allowing the Governor to authorize spending of additional revenues if bids submitted by vendors exceed the 13 percent limit for administration.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 9 Virginia Port Authority Payments-in-Lieu of Taxes (Item 454)

**General Assembly Action:** Amended language in the Budget Bill to: (1) clarify the use of a \$1.0 million general fund appropriation to repair local roads damaged by heavy truck traffic related to port activities in Hampton Roads and (2) set out the distribution formula for the appropriation.

**Governor's Action:** Proposes a **technical amendment** to further clarify the allocation formula. The appropriation would be distributed to localities on a pro rata basis in accordance with existing law, but the proportion of funds received by each locality would be based on the amount of cargo traveling through each Hampton Roads port facility as measured by twenty-foot equivalent units.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 10 Central Appropriations Faculty Salaries (Item 461)

**General Assembly Action:** Provided \$4.3 million GF the second year to increase the FY 2008 salary adjustment for faculty from 3.0 percent to 4.0 percent, effective November 25, 2007.

**Governor's Action:** Proposes language to clarify that institutions of higher education shall receive a 4.0 percent salary increase, consistent with the funding provided by the General Assembly.

### Notes:

- The Governor's amendment is **technical in nature**.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 11 Central Appropriations Fiscal Impact of HB 2749 and SB 1071 Registration of Sex Offenders and Child Pornography (Item 462)

**General Assembly Action:** Adopted HB 2749 and SB 1071, which mandate new requirements for registration of sex offenders and increase the penalties for possession and distribution of child pornography.

**Governor's Action:** Proposes to add \$433,600 GF the second year for the fiscal impact on the Department of State Police, due to the increased workload for the sex offender registry. The Governor also proposes to add \$38,469 GF to the \$1.2 million already provided the second year by the General Assembly for planning and site acquisition for a new prison in Charlotte County.

Language is proposed in the Governor's amendment to designate the entire amount of \$1,238,469 as the required deposit into the Corrections Special Reserve Fund, to reflect the Corrections bedspace impact of HB 2749 and SB 1071, as adopted. This amount would then be made available as special funds for planning and site acquisition for the Charlotte County prison.

### Notes:

- HB 2749 and SB 1071 were finalized in conference at the very end of the regular session, at about the same time the budget was being finalized. As a result, the planning funds for the Charlotte prison were included in the budget, but were not designated as the required deposit to the Corrections Special Reserve Fund.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 12 Central Appropriations Higher Education Tuition Incentive Fund (Item 463.10)

**General Assembly Action:** Provided \$7.2 million in the second year for additional operating support in the form of a Higher Education Tuition Incentive Fund for those institutions that limit the increase of tuition and mandatory educational and general fees for in-state undergraduate students to not more than six percent for the 2007-2008 academic year. The State Council of Higher Education for Virginia (SCHEV) is to determine whether each institution has met the tuition requirements to qualify for the incentive. SCHEV will report its findings by August 15, 2007.

**Governor's Action:** Proposes language that allows higher education institutions to exceed the six percent limit on tuition and mandatory educational and general fees if the additional revenue is used solely to increase student financial aid for in-state undergraduates. The increase must also not exceed the in-state undergraduate increase reflected in the institution's six-year financial plan. The Department of Planning and Budget (DPB) is added as a certifying agency in addition to SCHEV.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 13 Virginia Retirement System SPORS Retirement Benefits (Item 473)

**General Assembly Action:** Provided language in the budget that increases the retirement multiplier under the State Police Officers Retirement system (SPORS) from 1.70 to 1.85 and retains the 1.70 multiplier for local public safety officers under the Law Enforcement Officers System (LEOS).

**Governor's Action:** Proposes to strike the language adopted by the General Assembly.

### Notes:

- The Governor's amendment is **technical in nature**.
- The General Assembly's budget language retained the 1.70 percent retirement multiplier for budget under LEOS, which may have been interpreted by some as over-riding the local option to provide the higher 1.85 percent retirement multiplier provided for in SB 1166.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 14 Virginia Workers' Compensation Commission Commissioners' Compensation (Item 478)

**General Assembly Action:** Provided \$1.8 million GF in the second year for an additional 4.0 percent salary increase for judges, including Commissioners of the State Corporation Commission, effective November 25, 2007. When combined with the general salary increase authorized in the Central Appropriations the total increase for judges in FY 2008 is 8.0 percent.

**Governor's Action:** Proposes to increase the salaries for Commissioners of the Workers' Compensation Commission by the additional 4.0 percent authorized in Item 30.10 (Amendment #1).

### Notes:

- The Governor's amendment is **technical in nature**, since Commissioners of the Workers' Compensation Commission are usually afforded the same compensation increases as judges and Commissioners of the State Corporation Commission.
- A companion amendment to Item 30.10 (Amendment #1) authorizes the increase.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 15 Capital Outlay JMU: Acquire East Campus Property (Item C-61.95)

**General Assembly Action:** Provided \$9.0 million NGF in the second year from Higher Education Operating Funds to acquire property to the east of the James Madison University campus.

**Governor's Action:** Proposes to **change the fund source** for acquisition of property from Higher Education Operating to 9(d) bonds. Proposed language would give the director of the Department of Planning and Budget the flexibility to authorize Auxiliary Enterprise balances in lieu of the 9(d) bonds.

### Notes:

- A companion amendment to Item C-328 (Amendment #17) makes the technical correction to the 9(d) bond table.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 16 Capital Outlay Capital Lease Authorizations (New Item C-326.10)

**General Assembly Action:** No action.

**Governor's Action:** Proposes to authorize the renewal of the following existing capital leases, or replacement of these leases with a new capital lease. The current leases are expected to expire this biennium.

**Notes:**

- The Governor's amendment is **technical in nature** and has no known or immediate fiscal impact.

<u>Agency</u>	<u>Capital Leases</u>
Health	Local offices in the City of Richmond and the City of Roanoke.
Rehabilitative Services	Disability determination offices in the Cities of Roanoke and Virginia Beach, and Fairfax County.
Environmental Quality	Regional office in the City of Roanoke.
Housing & Community Development	Administrative offices in the City of Richmond.
Corrections	Regional office in the City of Richmond.
General Services	Department of Corrections - Probation and Parole Office, and Department of Social Services - Child Support Enforcement Office in the City of Manassas.
General Services	Department of Department of Social Services, Department of Medical Assistance Services, and others in the Roanoke region.

# Governor's Proposed Budget Amendments to House Bill 1650 (2007 Reconvened Session)

## Amendment No. 17 Capital Outlay JMU: Acquire East Campus Property (Item C-328)

**General Assembly Action:** Provided \$9.0 million NGF in the second year, from Higher Education Operating Funds, to acquire property to the east of the James Madison University campus.

**Governor's Action:** Proposes **three technical corrections** to the table in Item 328, which sets out the revenue bonds authorized under §9(d) of the Constitution of Virginia:

<u>Item</u>	<u>Project</u>	<u>Comment</u>
C-61.95	17509	Technical Amendment to include 9(d) Bonds for the acquisition of property to the east of the James Madison University campus.
C-61.96	17505	Technical Correction to change the Item number for the construction of a softball and baseball complex at James Madison University from C-61.95 to C-61.96.
C-155.10	17452	Technical Correction to change the project number for the expansion of the School of Dentistry at Virginia Commonwealth University from 17405 to 17452.

### Notes:

- A companion amendment to Item C-61.95 (Amendment #15) changes the fund source for acquisition of property to the east of the James Madison University campus from Higher Education Operating to 9(d) bonds.